

115TH CONGRESS  
1ST SESSION

# H. R. 2579

To amend the Internal Revenue Code of 1986 to allow the premium tax credit with respect to unsubsidized COBRA continuation coverage.

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IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2017

Mr. TIBERI introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow the premium tax credit with respect to unsubsidized COBRA continuation coverage.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PREMIUM TAX CREDIT ALLOWED WITH RE-**  
4 **SPECT TO UNSUBSIDIZED COBRA CONTINU-**  
5 **ATION COVERAGE.**

6 (a) IN GENERAL.—Section 36B(f) of the Internal  
7 Revenue Code of 1986 is amended—

8 (1) by inserting after “in section 9832(b)” the  
9 following: “offered in the individual health insurance  
10 market within a State (within the meaning of sec-

1 tion 5000A(f)(1)(C)), or any unsubsidized COBRA  
2 continuation coverage,”; and

3 (2) by striking paragraph (1) and by redesignating paragraphs (2), (3), (4), and (5) as paragraphs (1), (2), (3), and (4), respectively.

6 (b) CERTIFICATION OF UNSUBSIDIZED COBRA CONTINUATION COVERAGE.—Section 36B(g) of such Code is  
7 amended by redesignating paragraph (9) as paragraph  
8 (10) and by inserting after paragraph (8) the following  
9 new paragraph:  
10

11 “(9) SPECIAL RULE FOR UNSUBSIDIZED COBRA  
12 CONTINUATION COVERAGE.—In the case of unsubsidized COBRA continuation coverage—

14 “(A) subsection (d)(1) shall be applied by  
15 substituting ‘COBRA continuation coverage  
16 which is certified by the plan administrator (as  
17 defined in section 414(g)) of the group health  
18 plan’ for ‘health insurance coverage which is  
19 certified by the State in which such insurance  
20 is offered’, and

21 “(B) the requirements of paragraph (8)  
22 shall be treated as satisfied if the certification  
23 meets such requirements as the Secretary may  
24 provide.”.

1 (c) UNSUBSIDIZED COBRA CONTINUATION COV-  
2 ERAGE.—Section 36B of such Code is amended by adding  
3 at the end the following new subsection:

4 “(h) UNSUBSIDIZED COBRA CONTINUATION COV-  
5 ERAGE.—For purposes of this section—

6 “(1) IN GENERAL.—The term ‘unsubsidized  
7 COBRA continuation coverage’ means COBRA con-  
8 tinuation coverage the payment of applicable pre-  
9 miums (as defined in section 4980B(f)(4)) for which  
10 is solely the obligation of the taxpayer.

11 “(2) COBRA CONTINUATION COVERAGE.—The  
12 term ‘COBRA continuation coverage’ means con-  
13 tinuation coverage provided—

14 “(A) pursuant to part 6 of subtitle B of  
15 title I of the Employee Retirement Income Se-  
16 curity Act of 1974 (other than under sections  
17 602(5) and 609), title XXII of the Public  
18 Health Service Act, section 4980B (other than  
19 subsection (f)(1) thereof insofar as it relates to  
20 pediatric vaccines), or section 8905a of title 5,  
21 United States Code,

22 “(B) under a State law or program that  
23 provides coverage comparable to coverage de-  
24 scribed in subparagraph (A), or

1           “(C) under a group health plan that is a  
2           church plan (as defined in section 414(e)) and  
3           is comparable to coverage provided pursuant to  
4           section 4980B.

5           Such term shall not include coverage under a health  
6           flexible spending arrangement.”.

7           (d) CONFORMING AMENDMENT.—

8           (1) Section 36B(d)(2)(A) is amended by inserting  
9           “COBRA continuation coverage or” after “other than”.

10          (2) Section 36B(g)(6) of such Code is amended by  
11          striking “subsection (f)(5)” and inserting “subsection  
12          (f)(4)”.

13          (e) AMENDMENT OF SECTION 36B AS AMENDED BY  
14          AMERICAN HEALTH CARE ACT OF 2017.—Whenever in  
15          this section an amendment is expressed in terms of an  
16          amendment to section 36B of the Internal Revenue Code  
17          of 1986, the reference shall be considered to be made to  
18          such section as amended by the American Health Care  
19          Act of 2017 and in effect for months beginning after De-  
20          cember 31, 2019.

21          (f) EFFECTIVE DATE.—The amendments made by  
22          this subsection are contingent upon the enactment of the  
23          American Health Care Act of 2017 and shall apply (if at

- 1 all) to months beginning after December 31, 2019, in tax-
- 2 able years ending after such date.

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